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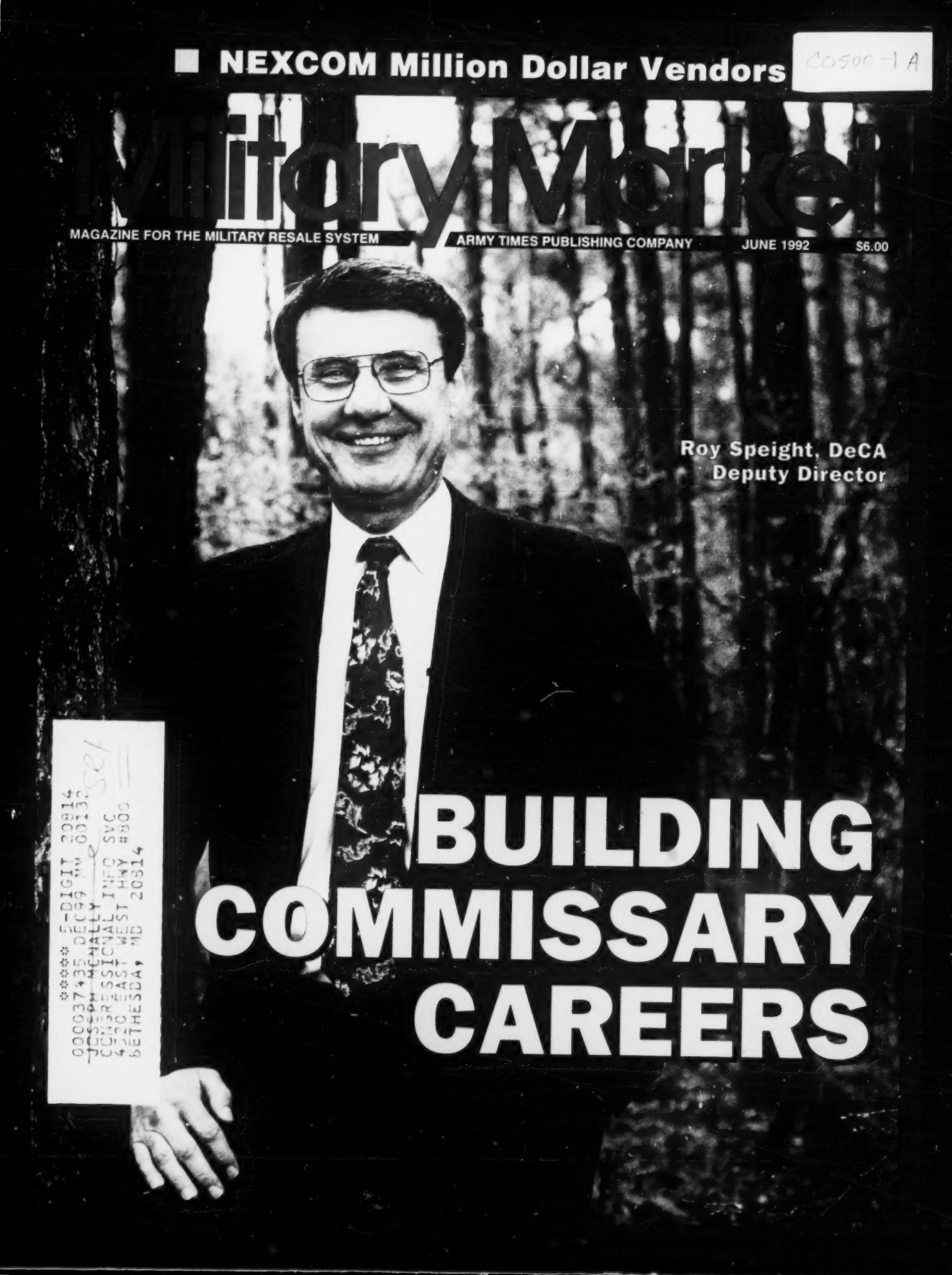
■ NEXCOM Million Dollar Vendors

Military Market

MAGAZINE FOR THE MILITARY RESALE SYSTEM ARMY TIMES PUBLISHING COMPANY JUNE 1992 $6.00



Roy Speight, DeCA Deputy Director

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Military Market MAGAZINE

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Military Market Index

COMMISSARIES

		FEBRUARY				YEAR-TO-DATE			
		CY '91[2]	CY '92	PERCENT CHANGE	AVERAGE SALES	CY '91[2]	CY '92	PERCENT CHANGE	STORES
CENTRAL	CONUS	$67,760	$72,335	+6.75	$1,764	$138,899	$145,360	+4.65	41
	OVERSEAS	312	377	+20.87	377	637	755	+18.59	1
	TOTAL	**68,072**	**72,711**	**+6.82**	**1,731**	**139,535**	**146,115**	**+4.72**	**42**
MIDWEST	CONUS	76,473	78,230	+2.30	1,863	156,758	157,935	+0.75	42
	OVERSEAS	0	0	–	0	0	0	–	0
	TOTAL	**76,473**	**78,230**	**+2.30**	**1,863**	**156,758**	**157,935**	**+0.75**	**42**
NORTHEAST	CONUS	63,395	64,483	+1.72	1,433	129,950	130,154	+0.16	45
	OVERSEAS	64	75	+17.39	75	130	147	+13.40	1
	TOTAL	**63,458**	**64,557**	**+1.73**	**1,403**	**130,080**	**130,301**	**0.17**	**46**
SOUTHERN	CONUS	81,313	83,574	+2.78	1,741	166,679	168,923	+1.35	48
	OVERSEAS	4,519	6,014	+33.08	1,203	9,225	11,935	+29.38	5
	TOTAL	**85,832**	**89,588**	**+4.38**	**1,690**	**175,904**	**180,858**	**+2.82**	**53**
SOUTHWEST	CONUS	80,563	85,169	+5.72	1,638	165,143	171,987	+4.14	52
	OVERSEAS	0	0	–	–	0	0	–	0
	TOTAL	**80,563**	**85,169**	**+5.72**	**1,638**	**165,143**	**171,987**	**+4.14**	**52**
NORTHWEST/ PACIFIC	CONUS	19,918	21,729	+9.09	1,671	40,828	43,571	+6.72	13
	OVERSEAS	35,592	45,991	+29.22	1,070	72,650	92,647	+27.52	43
	TOTAL	**55,509**	**67,720**	**+22.00**	**1,209**	**113,479**	**136,218**	**+20.04**	**56**
EUROPE	CONUS	0	0	–	–	0	0	–	0
	OVERSEAS	47,942	57,896	+20.76	499	97,860	117,881	+20.46	116
	TOTAL	**47,942**	**57,896**	**+20.76**	**499**	**97,860**	**117,881**	**+20.46**	**116**
TOTAL COMMISSARIES	CONUS	$389,422	$405,518	+4.13	$1,683	$798,257	$817,929	+2.46	241
	OVERSEAS	$88,429	$110,353	+24.79	$665	$180,502	$223,365	+23.75	166
	TOTAL	**$477,851**	**$515,871**	**+7.96**	**$1,267**	**$978,759**	**$1,041,294**	**+6.39**	**407**
GROCERY STORES	*U.S. 1*	*$25.658bil.*	*$27.380bil.*	*+6.71%*	–	*$53.334bil.*	*$55.897bil.*	*+4.81%*	–

EXCHANGES

		FEBRUARY			YEAR-TO-DATE		
		CY '91	CY '92	PERCENT CHANGE	CY '91	CY '92	PERCENT CHANGE
AAFES	CONUS	$311,523	$319,431	+2.54	$623,419	$610,548	-2.06
	OVERSEAS	243,965	229,056	-6.11	478,419	444,576	-7.04
	TOTAL	**555,488**	**548,487**	**-1.26**	**1,101,639**	**1,055,124**	**-4.22**
MAIL ORDER	CONUS	1,541	1,327	-13.89	3,295	2,327	-29.38
	OVERSEAS	3,793	2,225	-41.34	6,875	3,683	-46.43
	TOTAL[3]	**5,334**	**3,552**	**-33.41**	**10,170**	**6,010**	**-40.90**
NAVY	CONUS[4]	98,955	102,802	+3.89	186,330	193,419	+3.80
	OVERSEAS[4]	42,782	49,107	+14.107	84,653	94,740	+11.92
	TOTAL[4]	**141,737**	**151,909**	**+7.18**	**270,983**	**288,159**	**+6.34**
MARINES CORPS	CONUS[2]	28,292	32,661	+15.44	48,759	56,177	+15.21
	OVERSEAS[2]	3,959	5,296	+33.77	7,673	9,861	+28.52
	TOTAL[2]	**32,251**	**37,957**	**+17.69**	**56,432**	**66,038**	**+17.02**
COAST GUARD	CONUS[2]	9,418	10,000	+6.18	18,683	20,000	+7.05
	OVERSEAS[2]	724	750	+3.59	1,440	1,500	+4.17
	TOTAL[2]	**10,142**	**10,750**	**+5.99**	**20,123**	**21,500**	**+6.84**
ALL EXCHANGES	CONUS	$449,729	$466,221	+3.67	$880,486	$882,471	+0.23
	OVERSEAS	$295,223	$286,434	-2.98	$578,861	$554,360	-4.23
	TOTAL	**$744,952**	**$752,655**	**+1.03**	**$1,459,347**	**$1,436,831**	**-1.54**
DEPARTMENT STORES	*U.S.[1]*	*$10.504bil.*	*$12.017bil.*	*+14.40%*	*$20.511bil.*	*$22.594bil.*	*+10.16%*

Note: Distribution of sales by CONUS and overseas is based on definition by respective region. Figures do not include sales tax. Figures in thousands unless otherwise indicated. 1) Source: U.S. Department of Commerce. 2) MM estimate, based on official data. 3) Includes consolidated sales for all services, including Coast Guard. 4) Does not include sales of ships stores. For the Northwest/Pacific region, Alaska and Hawaii are listed in this index as overseas stores. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume. Distribution of sales by ConUS and overseas is based on definition by respective service and system.

Navy Exchanges, FY '91 Sales Rankings (January 28, 1991 – January 27, 1992)

	BASE	SALES
1	Pearl Harbor NB, Hawaii	$106,664,872
2	San Diego NS, Calif.	105,170,888
3	Norfolk NB, Va.	78,317,627
4	Guam NS, Guam	74,028,886
5	Miramar NAS, Calif.	66,480,129
6	Orlando NTC, Fla.	63,841,360
7	Yokosuka FA, Japan	58,350,090
8	Jacksonville NAS, Fla.	47,313,824
9	Subic Bay NS, Philippines	46,828,301
10	Great Lakes NTC, Ill.	45,545,886
11	Pensacola NAS, Fla.	45,277,125
12	Rota NS, Spain	41,039,497
13	Little Creek NAB, Va.	38,681,596
14	New London/Groton NSB, Conn.	37,190,051
15	Memphis NAS, Tenn.	37,120,397
16	Long Beach NS, Calif.	37,071,774
17	Roosevelt Roads NS, P.R.	36,859,612
18	Naples NSA, Italy	34,143,585
19	Alameda NAS, Calif.	30,770,477
20	North Island NAS, Calif.	30,288,028
21	San Diego NTC, Calif.	29,293,790
22	Moffett Field NAS, Calif.	28,848,460
23	Whidbey Island NAS, Wash.	28,691,015
24	Barbers Point NAS, Hawaii	26,897,312
25	Port Hueneme NCBC, Calif.	24,652,342
26	Sigonella NAS, Sicily	24,528,887
27	Newport NETC, R.I	24,157,103
28	Charleston NS/NB, S.C.	23,947,095
29	Oceana NAS, Va.	23,648,917
30	Seattle NS, Wash.	22,211,924
31	Keflavik NS, Iceland	22,181,791
32	Mayport NS, Fla.	20,681,437
33	Bethesda NMC, Md.	20,265,438
34	Philadelphia NS, Pa.	19,974,230
35	Bangor NSB, Wash.	19,433,524
36	Guantanamo Bay NS, Cuba	19,407,729
37	Puget Sound NS, Wash.	16,498,746
38	Atsugi NAF, Japan	15,400,634
39	Lemoore NAS, Calif.	15,093,783
40	New Orleans NSA, La.	14,743,371
41	Imperial Beach NLF, Calif.	14,684,250
42	Adak NS, Alaska	14,392,095
43	Mare Island NS, Calif.	14,032,014
44	Monterey NPS, Calif.	13,896,680
45	Dallas NAS, Texas	12,854,137
46	Kings Bay NSB, Ga.	12,290,389
47	Norfolk NS, Va.	11,818,182
48	Charleston NWS, S.C.	11,794,227
49	Key West NAS, Fla.	11,469,446
50	Cecil Field NAS, Fla.	11,439,221
51	Patuxent River NAS, Md.	11,303,693
52	Brunswick NAS, Maine	10,948,137
53	Corpus Christi NAS, Texas	10,832,546
54	Bermuda NAS, Bermuda	10,140,076
55	Sasebo FA, Japan	9,310,362
56	Cubi Point NAS, Philippines	9,189,515
57	Hamilton DoD HF, Calif.	8,986,380
58	Gulfport NCBC, Miss.	7,712,924
59	Annapolis NS, Md.	7,544,891
60	Mitchell Field NSHA, N.Y.	7,428,507
61	Point Mugu NAS, Calif.	7,381,207
62	Holy Loch NSA, Scotland	6,923,063
63	Coronado NAB, Calif.	6,845,582
64	Meridian NAS, Miss.	6,780,181
65	Treasure Island NS, Calif.	6,715,753
66	Willow Grove NAS, Pa.	6,072,405
67	Whiting Field NAS, Fla.	5,419,349
68	Dam Neck FCTC, Va.	5,240,228
69	Sanno Hotel NEF, Japan	5,209,120
70	West Ruislip NA, England	4,923,724
71	Fallon NAS, Nev.	4,811,150
72	Norfolk NUMOC, Va.	4,722,480
73	San Diego NMC, Calif.	4,341,394
74	Edzell NSGA, Scotland	4,273,346
75	South Weymouth NAS, Mass.	3,865,217
76	China Lake NWC, Calif.	3,717,178
77	San Diego NSB, Calif.	3,547,365
78	Washington NYND, D.C.	3,259,909
79	La Maddalena NSO, Italy	3,200,341
80	Oakland NH, Calif.	3,079,997
81	Pensacola NTTC, Fla.	2,926,458
82	Sabana Seca NSGA, P.R.	2,865,140
83	Lakehurst NAEC, N.J.	2,832,739
84	Portsmouth NH, Va.	2,793,989
85	Atlanta NAS, Ga.	2,725,477
86	Athens NSCS, Ga.	2,668,605
87	Staten Island NS, N.Y.	2,587,275
88	Argentia NF, Newfoundland	2,509,286
89	Scotia NAU, N.Y.	2,210,062
90	Glenview NAS, Ill.	2,194,529
91	Kingsville NAS, Texas	2,194,237
92	Beeville NAS, Texas	2,068,034
93	Kekaha PMR, Hawaii	2,051,227
94	Pinetamare NSAD, Italy	2,027,772
95	Yorktown NWS, Va.	2,017,581
96	Arlington NUC, Va.	1,970,465
97	Great Lakes NH, Ill.	1,867,332
98	Exmouth NCS, Australia	1,862,738
99	Panama City NCSC, Fla.	1,795,713
100	Norfolk AFHSA, Va.	1,672,021
101	Brawdy NF, Wales	1,633,780
102	Dahlgren NSWC, Va.	1,621,499
103	Stockton NCS, Calif.	1,600,459
104	El Centro NAF, Calif.	1,559,025
105	Colts Neck NWS, N.J.	1,491,501
106	Gaeta NSAD, Italy	1,455,926
107	London NAUK, England	1,426,599
108	Davisville IBE, NCBC, R.I.	1,393,180
109	Chesapeake NSGANW, Va.	1,312,134
110	Souda Bay NSA, Crete	1,236,922
111	Beaufort NH, S.C.	1,178,372
112	Honolulu NCA, Hawaii	1,058,756
113	Concord NWS, Calif.	1,034,664
114	Antigua NF, West Indies	949,309
115	Thurso NCS, Scotland	913,442
116	Cheltenham NCU, Md.	903,476
117	Mechanicsburg NSPCC, Pa.	896,811
118	Oakland NSC, Calif.	891,622
119	Christchurch NSFAD, New Zealand	813,678
120	Warminster NADC, Pa.	759,472
121	Pasacagoula SS, Miss.	758,620
122	Portsmouth NS, N.H.	732,456
123	Lisbon SUH, Portugal	715,665
124	Indian Head NOS, Md.	662,658
125	Charleston NRMC, S.C.	651,528
126	Philadelphia ASO, Pa.	639,528
127	Winter Harbor NSGA, Maine	633,642
128	St. Mawgan NWF, England	631,471
129	Crane NWSC, Ind.	593,168
130	Waianae NML, Hawaii	524,194
131	Cutler NCU, Maine	489,161
132	Machrihanish NAWF, Scotland	439,754
133	Sugar Grove NRS, W. Va.	402,605
134	San Clemente Island NALF, Calif.	355,827
135	Philadelphia NH, Pa.	337,843
136	Centerville Beach NF, Calif.	268,168
137	Skaggs Island NSGA, Calif.	234,334
138	Hario NHA, Japan	82,474
	ConUS Total	***$1,441,539,352***
	Overseas Total	***$654,635,180***
	GRAND TOTAL	***$2,096,174,532***

THE NEXCOM FY 1991 MILLION DOLLAR VENDORS LIST

The Navy Exchange System reports that 238 vendors and suppliers provided a million dollars or more in products or services to Navy Exchanges around the world during the past fiscal year. Below is a list of million dollar vendors, ranked by dollar volume, for fiscal year 1991.

The list was compiled by rolling up payments made to vendors and suppliers by the Navy Exchange Service Command and by Navy Exchange Service Centers. The list is as comprehensive as possible, considering the complexity of correlating data from numerous sources.

Rank	Vendor Name	Amount
1	Phillip Morris	$28,999,090
2	Eurpac	23,878,844
3	Gasco Gasoline	22,118,830
4	Coca-Cola	21,064,722
5	R.J. Reynolds	16,851,250
6	JVC Corp of America	14,301,414
7	Pepsi Cola	11,084,682
8	Procter & Gamble	11,062,500
9	Sony/Mohawk Marketing	10,931,037
10	American Greetings Corp	10,911,296
11	Sharp Electronics	10,805,341
12	Nike	10,739,778
13	Brown & Williamson	10,564,205
14	Louis Dreyfus	10,086,944
15	Levi Strauss	9,010,339
16	Nintendo	8,695,676
17	Wolverine Worldwide/Bates	8,187,017
18	Eastman Kodak	8,176,122
19	Chevron	7,987,348
20	Whirlpool Corp	7,926,363
21	Panasonic	7,621,526
22	Encore Int'l	7,349,612
23	Creighton Inc	7,151,548
24	Hanes	7,101,036
25	BP Oil	7,061,004
26	Liz Claiborne	6,879,957
27	Anheuser-Busch	6,776,371
28	Sanyo Elect/RTA Int'l	6,714,698
29	Coastal Refining & Mark	6,349,887
30	Frito Lay Inc	6,087,105
31	Thomson Consumer Elect.	5,853,852
32	Seagoing Uniform	5,482,892
33	ARA Services	5,455,719
34	American Brands	5,311,446
35	Revlon International	4,757,699
36	River City Petroleum	4,695,407
37	John K. Kealy	4,654,211
38	Black & Decker	4,658,074
39	Vendor Supply of America	4,536,615
40	Applied Graphics Tech	4,527,898
41	Vanguard Military Equipment	4,507,110
42	Handleman	4,468,668
43	Weintraub Bros	4,427,640
44	Reebok	4,206,273
45	Vanguard Industries West	4,199,274
46	Bose Corp	4,120,113
47	AT & T Consumer Prod	3,951,249
48	M & M Mars Div Mars Inc	3,915,647
49	J.E. Seagrams & Sons	3,904,445
50	Nabisco/Planters	3,903,070
51	Zenith Products Corp	3,802,050
52	Miller Brewing Co	3,802,012
53	C. Lloyd Johnson Co Inc	3,789,329
54	Estee Lauder Inc	3,692,847
55	Eveready	3,687,357
56	Gitano	3,633,108
57	Canon USA Inc	$3,610,137
58	Western Union Telegraph	3,599,158
59	Gillette Co	3,569,657
60	American Distributors	3,403,567
61	NCR Corporation	3,348,633
62	3M	3,299,574
63	Beverages Foods & Svc Ind	3,248,983
64	Pioneer Electronics	3,246,717
65	Lorillard	3,208,152
66	Johnson & Johnson	3,137,096
67	Associated Dist. Inc	3,061,244
68	Rubbermaid Specialty	3,041,830
69	Lieberman Enterprises	3,018,888
70	Goldstar	2,999,496
71	Belcher Coastal Fuels	2,995,140
72	Hawaiian Isles Distributors	2,994,094
73	Packard Bell	2,963,813
74	Murray Ohio Mfg Co	2,963,514
75	Premier Beverages Co	2,959,295
76	Wright & Lato Inc	2,954,316
77	Evenflo	2,944,504
78	NDC Distributors	2,940,945
79	Southern Apparel Co.	2,842,438
80	B. Lippman Inc	2,822,805
81	Fieldcrest Mills Inc	2,744,837
82	Sunbeam/Oster	2,733,459
83	Elizabeth Arden Inc	2,708,767
84	Lenox China & Crystal	2,698,806
85	Goodyear Tire & Rubber Co	2,661,368
86	Wash. St. Liquor Control Bd	2,652,593
87	General Electric Co	2,630,873
88	M.J. Soffe Co	2,619,531
89	Mattel Toys	2,577,273
90	Eli Witt Co	2,564,254
91	Sandberg & Sikorski	2,561,879
92	Diversified Prod Intl	2,547,706
93	Monarch Crown Bristol	2,532,848
94	Davis Clothing Co	2,532,664
95	Haggar	2,523,302
96	Brigade Brands	2,483,613
97	National Vendors	2,438,197
98	Huffy	2,339,884
99	Waterford Wedgwood Inc	2,311,295
100	Bausch & Lomb Inc	2,281,527
101	Coast Distributing Co	2,230,603
102	Kraft General Foods	2,194,426
103	Hoffman Beverage Co	2,163,404
104	Lladro	2,155,781
105	Polaroid Corp	2,137,447
106	Kimberly Clark Corp	2,135,727
107	N.V. Spring Co	2,104,216
108	Calvin Klein	2,098,338
109	Continental Baking	2,083,250
110	Samsonite Corp	2,062,722
111	Leading Technology	2,058,456
112	Hiram Walker	2,051,506
113	James Beam Distilling	2,051,214
114	Timex Corp	$2,045,762
115	Kenwood Electronics Inc	2,042,734
116	McWhirter Dist. Co	2,039,860
117	Southern Wines Spirits	2,017,920
118	F.H. Anthony & Assoc	1,997,359
119	Exxon Co	1,984,893
120	Tash Inc	1,933,949
121	Mesa Distributing Co	1,932,449
122	CBM Computer Center	1,906,508
123	Youngs Market	1,905,479
124	Norfolk Beverage Co	1,887,574
125	Bacardi Imports Inc	1,882,675
126	Pendleton Woolen Mills	1,874,085
127	Gruen Marketing Corp	1,833,466
128	Hershey Choc. Co	1,803,537
129	Conoco Inc	1,793,090
130	Florafax International	1,775,910
131	Zojirushi American Corp	1,774,157
132	Palisade Wholesale	1,770,711
133	Jockey International Inc	1,760,215
134	Hilborn Hamburger	1,748,046
135	Texaco	1,733,272
136	Hamilton Beach/Proctor Silex	1,706,673
137	James River Corp	1,706,199
138	Millie's	1,704,916
139	Cheseborough Ponds	1,691,895
140	Hoover Company	1,679,925
141	Smith Corona	1,661,211
142	Hitachi Home Electronics	1,641,320
143	Woodstream Corp	1,633,932
144	Perrigo Co	1,633,124
145	Sealy Mattress Co	1,631,503
146	Lever Brothers	1,630,745
147	Minolta Corp	1,630,405
148	Hawn Independent Refinery	1,627,577
149	Simmons Mattresses	1,617,685
150	World Pacific	1,615,346
151	Glidden	1,580,618
152	Certified Grocers	1,563,767
153	Playtex Co	1,562,612
154	Cosmair/Designer Frag.	1,561,357
155	Baskin Robbins	1,554,214
156	Gallo Wine	1,548,089
157	Bugle Boys Industries	1,544,014
158	Eureka Company	1,528,135
159	Old Dominion Tobacco	1,517,752
160	Eagle Distributors	1,511,979
161	Maidenform	1,510,776
162	A & B Dist	1,509,098
163	Pearlstine Dist	1,486,198
164	Seven Up Bottling Co	1,473,843
165	Fritzi of Calif	1,445,317
166	Colgate-Palmolive	1,439,729
167	U.S. Shoe	1,439,608
168	Union Bay Sportswear	1,414,940
169	U-Haul	1,411,508
170	The Ultimate Corp	1,396,295

THE NEXCOM FY 1991 MILLION DOLLAR VENDORS LIST

171 - Impact Marketing	$1,384,627	194 - Wilson Sporting Goods	$1,243,471	217 - West Point Pepperell/Martex	$1,073,796
172 - Audiovox Corp	1,383,455	195 - Coleman Co. Inc	1,240,848	218 - L'Oreal	1,067,044
173 - Corning Glass Works	1,373,199	196 - Island Beverage Co	1,217,955	219 - Bethco Fragrances	1,062,820
174 - Churchhill Distributors	1,369,241	197 - The Vault Inc	1,217,455	220 - Goody Products	1,058,544
175 - N. Goldring Corp	1,358,561	198 - Watters and Martin	1,214,782	221 - Gekay Sales & Service Co	1,054,076
176 - Teleflora Corp	1,357,327	199 - Mercury Luggage	1,187,378	222 - Isfel Co. Inc	1,052,569
177 - Quick Silver	1,325,055	200 - Reliable Liquors	1,184,128	223 - Little Tikes	1,051,448
178 - S.C. Johnson & Sons Inc	1,320,896	201 - Con Agra Pet Products	1,169,715	224 - Henry J. Lee Dist	1,049,616
179 - Koret of Calif	1,318,130	202 - Playmates Toys Inc	1,152,955	225 - Roy Greene Associates	1,044,942
180 - San Diego Candy Co. Inc	1,311,027	203 - Pennzoil Co	1,152,092	226 - Ekco Housewares Co	1,039,146
181 - Arrow Company	1,305,113	204 - Mead Products Corp	1,143,510	227 - Telxon Corporation	1,035,337
182 - Prince Gardner	1,304,821	205 - Ocean Pacific (Consol)	1,134,199	228 - Stroh Brewery	1,032,993
183 - Neal Tyler	1,298,706	206 - Southland Food Centers	1,133,972	229 - E.J. Brach	1,031,227
184 - Military Special Markets	1,294,791	207 - Gate Fuel Service	1,126,547	230 - Paul Davril	1,026,666
185 - Atlantic Distillers	1,284,422	208 - Fisher Price Toys	1,125,147	231 - Leslie Fay	1,021,496
186 - Spring Industries	1,278,363	209 - Brigade Quarter Master	1,108,621	232 - Hecht Dist Co. Inc	1,010,133
187 - Gucci Timepiece	1,278,318	210 - Kayser Roth Hosiery	1,108,056	233 - American Harvest	1,005,693
188 - International Distrib	1,276,462	211 - Allied Fine Furniture	1,103,474	234 - Heublein Wines/Chris Bros	1,004,332
189 - Affordable Furniture	1,271,404	212 - Paradise Beverage	1,100,816	235 - Master Lock	1,003,591
190 - Rockport Co	1,259,049	213 - Oscar Mayer & Co	1,098,941	236 - London Fog	1,002,876
191 - Broudy-Kantor Co. Inc	1,257,394	214 - Murata Business Systems	1,097,308	237 - Food & Spirits Dist. Corp	1,001,620
192 - West Florida Distributors	1,256,743	215 - W.C. Bradley	1,091,903	238 - Jostens Custom Sportswear	1,000,714
193 - Michelin	1,247,022	216 - Beecham Products	1,080,636		

NEXCOM reports MWR contributions down in 1991 despite increased exchange sales of 4.4 percent

Navy exchange sales were up 4.4 percent in 1991 while contributions to morale, welfare, and recreation programs were down 4.1 percent. Navy Exchange Service Command officials did not explain the discrepancy between the agency's sales performance and its contributions to MWR programs, and were unable to do so by MILITARY MARKET press time.

Final figures show almost $2.1 billion in Navy exchange sales during fiscal year 1991, up from $2 billion in 1990. NEXCOM made $80 million in MWR contributions in 1991, down from $82.6 million in 1990, according to preliminary unaudited figures.

Exchange marts, stores at 16 remote locations which combine exchange merchandise with groceries sold at cost plus 5 percent, accounted for $6.66 million in sales in 1991. That figure was not broken out in the 1990 NEXCOM sales report.

NEXCOM did more than $1.44 billion in ConUS sales and $654.6 million in overseas sales in 1991. In 1990, NEXCOM did $1.38 billion in ConUS and almost $620.8 million overseas. Figures do not include Navy lodges.

Total retail sales for 1991 were almost $1.5 billion. Slightly more than $1 billion came from ConUS and almost $500 million was done overseas. Retail sales in 1990 were almost $1.43 billion ($966.8 million in ConUS, $460.6 overseas).

The largest retail category for 1991 was consumer electronics, at almost $141.3 million. Next was tobacco and smoking accessories, at almost $133.2 million. Third was beverages (beer and soda) with $105.13 million. These three categories were also the top three sellers in terms of dollars during 1990.

Total services sales were more than $408.8 million, down from the $429.2 million posted during 1990.

Concession sales were almost $157.83 million, up from $151.1 million in 1990.

Best-performing categories were as follows: Fast food (up 80.74 percent); Furniture (up 16.44 percent); Home furnishings and giftware (up 13.64 percent); Records and tapes (up 11.99 percent), and Sporting goods (up 10.38 percent).

The worst-performing categories were: Amusement machines (down 32.57 percent); Electrical appliances (down 15.99 percent); Personalized services (down 8.50 percent); Cameras and photo equipment (down 7.39 percent), and Food service (down 7.24 percent).

The Navy's central recreation fund received $46.6 million in dividends from NEXCOM in 1991, according to preliminary unaudited figures. This is the same amount it received in 1990.

Another $33.4 million in dividends went to local commands and major claimants in 1991, down from the $36 million those activities shared in 1990. (Major claimants are elements of the Navy command structure responsible for activities which do not fall under local commands.)

Market Report

Home Office Equipment:

There's a wealth of potential . . . ,

. . . but is it politically correct?

By Associate Editor TIM BOIVIN

Plans for increasing the variety of home office equipment and the size of televisions now sold in military exchanges could get shot down by the ongoing debate over the exchanges' last stock assortment expansion.

The controversial 1990 expansion into white goods, mattresses and 9- and 13-inch televisions led to complaints to Congress earlier this year that "reached a noise level up here," according to one congressional staffer.

Now, the exchange systems' latest proposal to authorize new home office products for sale along with large-screen televisions may be a political potato that's too hot to handle in an already sizzling election year.

The exchange systems were expected to ask the Morale, Welfare and Recreation Panel to approve the new product categories for sale. But it is not going to be an easy sell, and may not even be a sell at all.

THE WHITE GOODS FLAP

Some suppliers to the exchange systems say they assume that NEXCOM has already submitted the request for new categories on behalf of the Armed Forces Exchange Coordinating Committee. Although the proposal has been prepared by NEXCOM staffers, a staff member for the MWR Panel told MILITARY MARKET that he hasn't seen the request yet.

When it does arrive, it is certain to spark a spirited debate on what merchandise exchanges should be allowed to sell. On one side of the battlefield are the exchange systems. Giving them the evil eye from the other side are civilian retailers outside the front gates.

Trapped in a no-man's land in the middle are members of the House of Representatives. There are election year controversies of other sorts already making them squeamish about upsetting any more constituents back home.

The exchange systems' justifications for introducing the new categories into the stock assortment is simple. They feel their customers should be able to shop for the same items in exchanges that are offered to the American public in other retail outlets.

A reason for justifying home office equipment, some supporters say, is that it will provide a way of supporting people leaving the service. They theorize that owning items like facsimile machines and answering machines will make it easier for people to look for work once they are forced out of the service.

"The [House Armed Services] Committee has given us the authority to give a stock assortment of what we offer to soldiers and airmen that is compatible with what the living standards are with the American people in general," Army Maj. Gen. Albin G. Wheeler, the AAFES commander, said last November at an MWR panel hearing.

"We believe that the soldiers and airmen should profit from our ability to buy and sell those things to them," Wheeler said in response to concerns about the expansion into white goods voiced by Florida Democrat Earl Hutto, a member of the panel.

Civilian retailers in Hutto's district, which includes Eglin AFB and Hurlburt Field, have been angry over the sale of white goods, mattresses and large screen televisions. They feel their interests were not given a fair hearing before the exchanges were allowed to sell those products.

Many civilian retailers told MILITARY MARKET they had no idea those products had been approved for sale until exchange customers started doing comparative price shopping in their stores.

The downtown shop owners also want to know when a firm line will be drawn over what exchanges can and cannot sell. They are worried that the exchange systems will not stop at fax machines, personal copiers or cellular phones and will soon eye automobiles or even real estate; they vow to fight a pitched battle with the exchange systems on any future expansions.

A NEEDED BOOST

However, the bottom line is that the exchange systems need all the help they can get to increase their sales and generate revenue for MWR programs.

Because of the diminishing customer base caused by the drawdown and base closures, expansion into these categories will help the exchange systems continue providing money for MWR programs in a time of increasingly scarce funding.

But civilian retailers feel they are the ones being penalized for Capitol Hill's inability to properly compensate the military.

"If they need a raise, then for God's sake give them one," said Raymond Cohen, owner of Cohen's Electronics in Montgomery, Ala., near Maxwell AFB and Gunter AFS. "But don't take it out of our damn hides!"

Cohen added that he understands and supports the military's need to adequately compensate its troops. But, he added, every dollar spent on post is a dollar that is not taxed off-post, and the programs of nearby communities suffer along with those of the federal government.

A DIFFICULT DECISION

It is not an enviable position the MWR panel finds itself in during this election year. With the electorate's ugly mood toward Congress, a wrong move could spell Doomsday come Election Day.

Continued

How the other side sells

Sales of home office equipment in the civilian market project to more than $9.1 million - or 25% of the entire consumer electronics market - in 1992. Here's how the top six categories stack up over the past four years. (All sales in millions of dollars)

Home Office Equipment	1988	1989	1990	1991*	1992*
Corded and Cordless Telephones	$1,122	$1,362	$1,482	$1,832	$1,878
Cellular Telephones	430	653	1,260	1,070	1,068
Telephone Answering Devices	755	838	842	928	942
Facsimile Devices	n/a	188	219	220	235
Personal Word Processors/Typewriters	650	688	656	600	600
Home Computers	3,150	3,500	3,795	4,160	4,406
Total Home Office Equipment	**$6,107**	**$7,229**	**$8,254**	**$8,810**	**$9,129**

* Estimate
Source: Electronic Industries Association

MILITARY MARKET/ Joanne Ostendorf

The chairman of the MWR panel, Rep. H. Martin Lancaster, D-N.C., warned in an April interview with MILITARY MARKET that, once the exchange systems' request reaches Capitol Hill, the panel will not just rubber stamp the request.

The systems "are going to have to do their homework in a way that they've never done it before" because justifying new lines in exchanges will be "much more difficult" than it has been, Lancaster said.

If the panel finds that "in some communities, the military personnel and their families — retired and active — are having to pay more than if they were stationed somewhere else, then that is an appropriate time for us to look at whether or not that product should be offered in the military resale system," Lancaster said.

Even so, Lancaster warned, it will be hard for exchanges to justify a bigger stock assortment, since the MWR Panel will probably intensify the focus of its scrutiny of any new requests.

"Increasingly, the competition on the outside is so great from discount houses, they're now going into even the smallest communities," Lancaster pointed out. "It's going to be more difficult to justify new product lines, because generally you can find that product at a competitive price now almost anywhere you're stationed," he said.

POTENTIAL GOLD MINE

What's at stake with these products in legislative limbo? A ton of potential sales.

One military broker account executive said that, if exchanges would carry just personal copiers, they could easily double their current dollar sales of home office equipment.

Home office products are among the few consumer electronics categories that show any substantial growth now, according to the Consumer Electronics Group (CEG) of the Electronic Industries Association.

Large-screen TVs are also a potential growth area. In a January 1992 report, the association said that unit sales of color TVs 30 inches and larger grew about 62 percent in 1991. Exchanges are authorized to sell televisions up to 27 inches.

Dan Cougevan, the consumer electronics buyer at NEXCOM's Centralized Buying Office, points out that Americans in the 1990s are "cocooning." Home entertainment and multi-media systems are now so large and elaborate that they can take the place of visits to traditional social centers like libraries, movie theaters and concert halls. *[EDITOR'S NOTE: See sidebar, page 41.]* The sale of large screen TVs is essential to any retailer's ability to meet the home theater needs of the cocooning consumers of the '90s.

The CEG is so convinced of the importance of multimedia and home theater that the category was scheduled to be showcased in new pavilions at the 1992 International Summer Consumer Electronics Show, held in Chicago in late May. They were also given their own dedicated product areas at the show.

In a press release sent out prior to the show, Gary Shapiro, group vice president of the CEG, called the trend toward multi-media products for home use "edutainment." He credited consumer demand for "the creation of useful products and concepts that will help [consumers] lead more productive lives."

Multi-media projects combine the use of computers with other consumer electronics products. Two examples are CD-ROM and CD-Interactive systems, which Cougevan says are two of the hottest trends in the marketplace today.

"*Edutainment* is, in many ways, one of the most challenging concepts in consumer electronics today, simply because it is ripe with possibilities and has great potential in a variety of educational and entertainment applications," Shapiro said in the press release. "For trade and

Cocooning

Dan Cougevan sees a day not too far off when kids' Saturday study trips to the library will be obsolete.

The electronics buyer at NEXCOM's Centralized Buying Office told MILITARY MARKET in a recent interview that the library will come to Johnny, instead of Johnny going to the library.

With "what's available now and what's going to come up, your kid will never have to go to a library again," Cougevan said. "He'll have everything on disk."

The increased availability of media systems in homes is part of a trend called "cocooning," where consumers build elaborate entertainment systems in their own homes.

Interactive CD players fit right into the cocooning trend of American families. "Not only does interactive CD provide entertainment, but the educational value of the software is outstanding," he said.

The proliferation of home entertainment products is a silver lining to the financial cloud hovering over retailers, Cougevan said.

"In recessionary times, people are spending a lot more time at home. Home entertainment is becoming a lot more important in the '90s," Cougevan said. "I can see people staying home for hours with their home theater and interactive CD. They'll just never have to leave their home to be entertained. Whether that's a good thing or not, I don't know."

What Cougevan does know is what's hot and what's not. Among the hottest products for 1992 are Kareoke machines, VHS camcorders, boomboxes with CDs, high-powered mini systems, interactive CD, and 16-bit videogames.

What's not? Console televisions "are dead in the water," says Cougevan. Single CD players are also yesterday's news. "There is no longer a price-value relationship. For just 30 or 40 dollars more, a customer can get a multiple CD player, and first-time purchasers are a lot more aware of that now than they were years ago."

Other products on the skids include all-in-one full size rack systems and mono televisions. Eight-bit video games have "really slowed up," Cougevan said, as manufacturers come out with the more advanced 16-bit models.

High-end boomboxes that do not play compact discs are also struggling. "A customer can get a CD boombox for $119. Why would he want to spend $99 or $109?" Cougevan said.

Other long-standing favorites have made enhancements to stay strong in the market. Portable cassette players now have digital tuning and mega-bass. Compact camcorders are going to color viewfinders. High-powered mini systems feature digital signal processing. And personal CD players have mega-bass and come with car adaptors.

The interest in TV/VCR combination units has been so intense that Navy exchanges have added a second Quasar SKU to the assortment.

Cougevan said lower price points have done exceptionally well in Navy exchanges in the first half of 1992, a trend that is expected to continue through the critical holiday selling season. Popular price points include CD boomboxes under $130; compact camcorders under $700; 4-head VCRs under $250; 27-inch TVs under $700; and personal CD players under $150. TB

consumers, it is central to a full understanding of the wide reach of our industry in the nineties."

THE MARKET'S BACKBONE

As for home office equipment, the CEG projects that the home information market will make up 25 percent of U.S. sales in consumer electronics in 1992. Video products make up the largest share — 34 percent. Audio products are 26 percent of sales.

Total U.S. sales of consumer electronics reached an estimated $35.7 billion in 1991, up only 1 percent. Dollar sales of video products were down 1.76 percent, and dollar sales of audio products were down 3.16 percent.

The ability to post any kind of gain in consumer electronics sales was possible "due to the strength of home information equipment sales," which were up 6.9 percent, according to the CEG.

By the end of 1992, the CEG projects U.S. sales of home information equipment to increase almost 50 percent over the 1988 level, when sales were $6.1 billion. By the end of 1992, the CEG projects home information equipment sales at $9.1 billion annually.

Unit sales of home fax machines are expected to increase 18.8 percent in 1992, the CEG estimates. Exchanges are authorized to sell facsimile machines overseas but not in ConUS, according to Jeff Blevins, home office and computer buyer at NEXCOM's Centralized Buying Office.

Unit sales of home computers increased an estimated 16.4 percent in 1991, and are forecast to grow 10.2 percent in 1992. Exchanges are authorized to sell only computers made by American companies who ensure that a certain percentage of the product is actually manufactured and assembled in the United States.

Exchanges are also limited to selling telephones costing under $180. Blevins said the systems will ask for that limit to be lifted so they can carry higher-end telephones. They also would then be able to sell cellular phones.

"On the outside, in the office superstores and Circuit City [stores], fax machines and cellular telephones are your two hottest products," Blevins said in a February interview.

The CEG says dollar sales of telephone products, including answering machines, increased 6.9 percent in 1991. Blevins said that among the categories already authorized for sale in exchanges, answering machines and cordless telephones are the two hot growth areas he anticipates in the future.

Much of the growth is due to reduced purchase prices. For instance, the average cost of a cellular phone in 1988 was $860. It is projected to be $305 in 1992. The average cost of a facsimile device in 1989 (the first year for which CEG has figures available) was $750. It is projected to be $495 in 1992.

This general price shift has been reflected in total unit sales to dealers. In 1988, cellular phone sales were an estimated 500,000 units. In 1992, that figure projects to 3.5 million units. Facsimile machines had unit sales of 250,000 in 1989; by the end of 1992 sales are expected to reach 475,000 units.

Undoubtedly, large screen TVs and home office equipment are an untapped reservoir of sales waiting to cascade through the cash registers of military exchanges into MWR programs. The question is if members of the MWR Panel are willing to address the political issues.

"Where it hurts us is our customer wants it and we don't have it," said Blevins. "I think that's the primary issue. We have customers coming in and asking for fax machines and cellular phones.

"I think that part of the benefit of serving in the military is that we should be able to have those products available for our men and women." MM